

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF JEFFERSON GAS)	
TRANSMISSION COMPANY, INC.)	CASE NO. 98-499
TO ADJUST RATES)	

ORDER

On October 7, 1998, Jefferson Gas Transmission Company, Inc. ("Jefferson Gas") filed a request for an adjustment of rates pursuant to 807 KAR 5:026, Section 9. Jefferson Gas operates a gathering system in Breathitt County and surrounding counties in eastern Kentucky. 807 KAR 5:026, Section 9 provides that a gas company which is providing gas service to customers pursuant to KRS 278.485 may seek an adjustment in its rates for those customers who request service under the statute. This statute-required service is commonly referred to as a "farm tap system." Jefferson Gas states in its petition that it has 148 farm tap customers.

Jefferson Gas in its petition requests a deviation from 807 KAR 5:026, Section 9(b), requiring that data supporting the costs be current within ninety days of the proposed tariff filing. Jefferson Gas requests a deviation to file the proposed tariff with data that is current as of December 31, 1997. The Commission finds that Jefferson Gas has shown good cause for granting the deviation to use the December 31, 1997 data as filed.

807 KAR 5:026, Section 9(1)(c) requires the Commission to determine if sufficient information has been filed with the proposed tariff insofar as the Commission

may then consider the petition filed and proceed to either approve or deny the proposed adjustment within sixty days. The Commission finds that the proposed tariff filing by Jefferson Gas herein contains the basic requirements for filing as stipulated by 807 KAR 5:026, Section 9(1)(a-1, a-2) and (b). The Commission finds that sufficient information has not been filed with the proposed tariff in order to proceed to approve or deny the tariff application within the sixty-day period. The Commission, however, may suspend the proposed tariff beyond the sixty-day period. 807 KAR 5:026, Section 9(1)(c). The Commission finds that it is necessary to suspend the tariff filed herein by Jefferson Gas due to the fact that Jefferson Gas has requested an effective date of January 1, 1999 for its tariff and that interested parties have been granted intervenor rights.

IT IS THEREFORE ORDERED that:

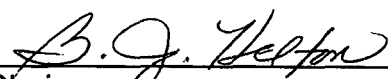
1. The motion for deviation is granted.
2. The proposed tariff is suspended up to and including May 31, 1999.
3. The procedural schedule listed in Appendix A, which is attached hereto and incorporated herein, shall be followed.
4. All requests for information and responses thereto shall be appropriately indexed. All responses shall include the name of the witness who will be responsible for responding to the questions related to the information provided, with copies to all parties of record and 10 copies to the Commission.
5. Jefferson Gas shall give notice of the hearing in accordance with the provisions set out in 807 KAR 5:011, Section 8(5). At the time publication is requested, Jefferson Gas shall forward a duplicate of the notice and request to the Commission.

6. Motions for extension of time with respect to the attached schedule shall be made in writing and will be granted only upon a showing of compelling reasons.

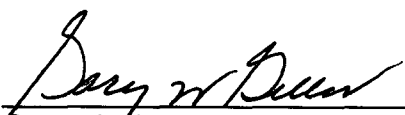
7. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

Done at Frankfort, Kentucky, this 14th day of December, 1998.

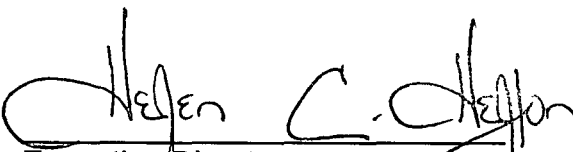
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 98-499 DATED DECEMBER 14, 1998

All requests for information to Jefferson Gas
shall be due no later than 12/18/98

Jefferson Gas shall file responses to the original
requests for information no later than 01/08/99

All supplemental requests for information to Jefferson Gas
shall be due no later than 01/15/99

Jefferson Gas shall file responses to the supplemental
requests for information no later than 01/22/99

Intervenors' testimony, if any, shall be filed in
verified prepared form no later than 02/05/99

All requests for information to Intervenors
shall be due no later than 02/12/99

Intervenors shall file responses to requests for
information no later than 02/26/99

Last date for Jefferson Gas to
publish notice of public hearing 02/23/99

Public hearing is to begin at 10:00 a.m., Eastern Standard Time, in
Hearing Room 1 of the Commission's offices at 730 Schenkel Lane,
Frankfort, Kentucky, for the purpose of cross-examination of
witnesses of Jefferson Gas and witnesses of the Intervenors 03/02/99